GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

CAF & CS Department - The Andhra Pradesh Direct Selling Guidelines, 2022 – Notification - Orders Issued.

CONSUMER AFFAIRS, FOOD & CIVIL SUPPLIES (CS. II) DEPARTMENT

G.O.MS.No:21 **Dated:29 -06-2022.**

Read the following:

1. Consumer Protection Act, 2019
2. GSR 889(E), Dated 28th December, 2021 (Gazette of India) Department Of Consumer Affairs, Government of India.

***

O R D E R:

The appended Notification will be published in English and Telugu in the Andhra Pradesh Gazette.

2. The Director of Printing & Stationery, Vijayawada is request to publish the notification in the Extraordinary issue of the Andhra Pradesh Gazette. The Telugu translation of the Notification will be furnished by the Director of Translation to the Director of Printing & Stationery Vijayawada for publication of the same under intimation to this department and General Administration Department, he is also requested to send 200 Gazette copies of the Notifications to this department. The Director of Translation is requested to furnish forthwith the translation of the Notification into the Regional Languages concern directly to the Director of Printing & Stationery, Vijayawada to enable them to publish the same in the Andhra Pradesh Gazette and District Gazette.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M.GIRIJA SHANKAR
E.O. SECRETARY TO GOVERNMENT

To
The Director of Printing & Stationery, Vijayawada for
Publication of the Notification in an extraordinary issue of the A.P. Gazette and District Gazette.
Copy to:
The Commissioner of Civil Supplies, Government of Andhra Pradesh, Vijayawada
The PS to Minister for CAF & CS Department
The Prl. Secretary, Revenue Department, A.P. Secretariat
The Commissioner, Commercial Taxes,
The Dy. Commissioner, Commercial Taxes, Vijayawada (Nodal Officer)

All District Collectors/ Joint Collectors in the State
The Scrutiny cell of Law Department, Velagapudi Guntur District
The Secretary to CM
The Controller, Legal Metrology, A.P., Vijayawada.
The Under Secretary, Department of Consumer Affairs, Ministry of Food and Public Distribution, New Delhi.
The Law (A) Department

// FORWARDED BY ORDER //

SECTION OFFICER

NOTIFICATOIN

GSR 889 (E) - In exercise of the powers conferred by clause (zg) of sub-section(2) of section 101 read with section 94 of the Consumer Protection Act, 2019 (NO. 35 OF 2019) With the prior concurrence of the Central Government, the Government of Andhra Pradesh hereby makes the following rules, namely;

1. Short title, extent and commencement:-
(1) These rules may be called the Consumer Protection (Direct Selling) Rules, 2021.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. Application. -- (1) Save as otherwise expressly provided, these rules shall apply to--
(a) all goods and services bought or sold through direct selling;
(b) all models of direct selling;
(c) all direct selling entities offering goods and services to consumers in India;
(d) all forms of unfair trade practices across all models of direct selling:
Provided that existing direct selling entities shall comply with the provisions of these rules within ninety days from the date of publication of these rules in the Official Gazette;

(2) Notwithstanding anything contained in sub-rule (1), these rules shall also apply to a direct selling entity which is not established in India, but offers goods or services to consumers in India.

3. Definitions. -- (1) In these rules, unless the context otherwise requires,--

(a) "Act" means the Consumer Protection Act, 2019 (35 of 2019);

(b) "cooling-off period" means a period of time given to a participant to cancel the agreement he has entered into for participating in the direct selling business without resulting in any breach of contract or levy of penalty;

(c) "direct seller" means a person authorized by a direct selling entity through a legally enforceable written contract to undertake direct selling business on principal to principal basis;

(d) "direct selling entity" means the principal entity which sells or offers to sell goods or services through direct sellers, but does not include an entity which is engaged in a Pyramid Scheme or money circulation scheme;

(f) "money circulation scheme" means the schemes defined in clause (c) of section 2 of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 (43 of 1978);

(g) "mis-selling" means selling a product or service by misrepresenting in order to successfully complete a sale and includes providing consumers with misleading information about a product or service or omitting key information about a product or providing information that makes the product appear to be something it is not;

(h) "prospect" means a person to whom an offer or a proposal is made by a direct seller to join a direct selling entity;

(i) "Pyramid Scheme" means a multi layered network of subscribers to a scheme formed by subscribers enrolling one or more subscribers in order to receive any benefit, directly or indirectly, as a result of enrolment or action or performance of additional subscribers to the scheme, in which the subscribers enrolling further subscribers occupy a higher position and the enrolled subscribers a lower position, resulting in a multi-layered network of subscribers with successive enrolments:

(j) "saleable", in relation to goods or services, means unused and marketable goods or services which have not expired, and which are not seasonal, discontinued or used for special promotion;

(k) "sensitive personal data" means the sensitive data or information as specified from time to time under section 43A of the Information Technology Act, 2000 (21 of 2000);

(l) "State" includes a Union territory;
(2) Words and expressions used herein and not defined, but defined in the Act shall have the meanings respectively assigned to them in the Act.

4. Mandatory maintenance of records.-- Every direct selling entity shall maintain at its registered office, either manually or electronically, all such documents as are required under any law for the time being in force, including the following documents or records, as may be applicable, namely:-

(a) Certificate of Incorporation;
(b) Memorandum of Association and Articles of Association;
(c) Permanent Account Number and Tax Deduction and Collection Account Number;
(d) Goods and Services Tax registration; (e) Goods and Services Tax Returns;
(f) Income Tax Returns;
(g) Balance Sheet, Audit Report and such other relevant reports; (h) Register of direct sellers;
(i) Certificate of Importer-Exporter code (in case of imported goods)
(j) License issued under the Food Safety and Standards Authority of India Act, 2006 (34 of 2006) for the purposes of manufacture or sale of food items;
(k) License and Registration Certificate issued under the Drugs and Cosmetics Act, 1940 (23 of 1940) for the purposes of manufacture or sale of drugs, including Ayurvedic, Siddha and Unani drugs and Homoeopathic Medicines;

(l) Certificate of Registration of Trademark.

5. Obligations of direct selling entity.-- (1) Every direct selling entity shall–
(a) if a company, be incorporated under the Companies Act, 2013 (18 of 2013) or if a partnership firm, be registered under the Partnership Act, 1932 (9 of 1932) or if a limited liability partnership, be registered under the Limited Liability Partnership Act, 2008 (6 of 2009);

(b) have a minimum of one physical location as its registered office within India;

(c) make self-declaration to the effect that it has complied with the provisions of these rules and is not involved in any Pyramid Scheme or money circulation scheme;

(d) maintain proper and updated website with all relevant details of that entity, including the documents or records specified in rule 4, the self-declaration specified in clause (c), contact information which is current and updated, details of its nodal officer, grievance redressal officer, its management, products, product information, price and grievance redressal mechanism for consumers;

(e) own, hold or be the licensee of a trademark, service mark or any other identification mark which identifies that entity with the goods or services to be sold or supplied, but shall not give commissions, bonus or incentives on sale of goods or services of which it is not the owner, holder or licensee of trademark, service mark or other identification marks;

(f) obtain all applicable trade registrations and licenses, including Permanent Account Number and Goods and Services Tax Registration;

(g) get all information provided by it on its website duly certified by a Company Secretary.

Explanation.––For the purposes of this clause, "Company Secretary" means a person as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 (56 of 1980);

(h) have a prior written contract with its direct sellers in order to authorize them to sell or offer to sell its goods or services, and the terms of such agreement shall be just, fair and equitable;

(i) ensure that all its direct sellers have verified identities and physical addresses and issue identity cards and documents only to such direct sellers;

(j) create adequate safeguards to ensure that goods and services offered by its direct sellers conform to applicable laws;

(k) be liable for the grievances arising out of the sale of goods or services by its direct sellers.

(2) Every direct selling entity shall provide the following information on its website in a clear and accessible manner, which shall be displayed prominently to its users, namely:––

(a) registered name of the direct selling entity;
(b) registered address of the direct selling entity and of its branches;
(c) contact details, including e-mail address, fax, land line and mobile numbers of its customer care and grievance redressal officers;
(d) a ticket number for each complaint lodged through which the complainant can track the status of the complaint;

(e) information relating to return, refund, exchange, warranty and guarantee, delivery and shipment, modes of payment, grievance redressal mechanism and such other information which may be required by the consumers to make informed decisions;

(f) information on available payment methods, the security of those payment methods, the fees or charges payable by users, the procedure to cancel regular payments under those methods, charge-back options, if any, and the contact information of the relevant payment service provider;

(g) total price of any goods or service in single figure, along with its break-up price showing all compulsory and voluntary charges, including delivery charges, postage and handling charges, conveyance charges and the applicable tax;
(h) provide correct and complete information at pre-purchase stage to enable buyers to make informed purchase decisions, and such information shall, in addition to the mandatory declarations to be provided under the Legal Metrology (Packaged Commodities) Rules, 2011, contain the following information,
namely:--
(i) the name of purchaser and seller;
(ii) description of goods or services;
(iii) quantity of goods or services;
(iv) the estimated delivery date of goods or services;
(v) the process of refund;
(vi) warranty of the goods;
(vii) exchange or replacement of goods in case of it being defective;
(viii) all contractual information required to be disclosed by or under any law for the time being in force.

(3) No direct selling entity shall adopt any unfair trade practice in the course of its business or otherwise, and shall abide by the requirements specified in any law for the time being in force.

(4) All products of a direct selling entity shall comply with the declarations to be made under the Legal Metrology Act, 2009 (1 of 2010).

(5) Every direct selling entity shall store sensitive personal data within the jurisdiction of India, in accordance with the applicable law for the time being in force and shall take appropriate steps to ensure protection of such data provided by a consumer and also ensure adequate safeguards to prevent access or misuse of such data by any unauthorized person.

(6) Every direct selling entity shall, having regard to the number of grievances ordinarily received by such entity from persons in India, establish an adequate grievance redressal mechanism and appoint one or more grievance redressal officers for redressal of consumers' grievances and display the current and updated name, contact details including telephone number, email address and designation of such officer on its website, and the details of its website shall also be prominently printed on the product information sheet or pamphlet.

(7) Every direct selling entity shall ensure that the grievance redressal officer referred to in sub-rule (6) acknowledges the receipt of any consumer

complaint within forty-eight working hours of receipt of such complaint and redresses the complaint normally within a period of one month from the date of receipt of the complaint and in case of delay of more than a month, reasons for the delay, and the actions taken on the complaint, are informed to the complainant in writing.

(8) Every direct selling entity shall appoint a nodal officer who shall be responsible for ensuring compliance with the provisions of the Act and the rules made thereunder, and to ensure compliance with any order, or requisition, made in accordance with the provisions of any other law for the time being in force or the rules made thereunder.

(9) Every direct selling entity shall establish a mechanism for filing of complaints by consumers through its offices or branches or direct sellers, either in person or through post, telephone, e-mail or website.

(10) Every direct selling entity shall maintain a record of all its direct sellers, including their identity proof, address proof, e-mail and such other contact information.

(11) Every direct selling entity shall, on the request in writing made by a consumer after the purchase of any goods or services, provide him with the information regarding any direct seller from whom such consumer has made a purchase, and such information shall include the name, address, e-mail, contact number and any other information which is necessary for making communication with such direct seller for effective dispute resolution.

(12) Every direct selling entity shall ensure that the advertisements for marketing of goods or services are consistent with the actual characteristics, access and usage conditions of such goods or services.

(13) No direct selling entity shall, directly or indirectly, falsely represent itself as a consumer and post reviews about its goods or services or misrepresent the quality or features of any of its goods or services.

(14) A direct selling entity which explicitly or implicitly vouches for the authenticity of the goods or services sold, or guarantees that such goods or services are authentic, shall bear the liability in any action related to the authenticity of such goods or services.

(15) Notwithstanding the distribution system adopted by it, a direct selling entity shall monitor the practices adopted by its direct sellers and ensure compliance with these rules by means of legally binding contract with such direct sellers.

(16) Every direct selling entity shall maintain a record of relevant information allowing for the identification of all direct sellers who have been delisted by the direct selling entity and such list shall be publicly shared on its website.

(17) Every direct selling entity shall become a partner in the convergence process of the National Consumer Helpline of the Central Government.

6. Obligations of direct seller.-- (1) Every direct seller shall--

(a) have a prior written contract with the direct selling entity for undertaking sale of, or offer to sell, any goods or services of such entity;

(b) at the initiation of any sale representation, truthfully and clearly identify himself, disclose the identity of the direct selling entity, the address of place of business, the nature of goods or services sold and the purpose of such solicitation to the prospect;

(c) make an offer to the prospect providing accurate and complete information, demonstration of goods and services, prices, credit terms, terms of payment, return, exchange, refund policy, return policy, terms of guarantee and after-sale service;

(d) provide an order form to the consumer at or prior to the time of the initial sale, which shall identify the direct selling entity and the direct seller and shall contain the name, address, registration number or enrollment number, identity proof and contact number of the direct seller, complete description of the goods or services to be supplied, the country of origin of the goods, the order date, the total amount to be paid by the consumer, the time and place for inspection of the sample and delivery of goods, consumer's rights to cancel the order or to return the product in saleable condition and avail full refund on sums paid and complete details regarding the complaint redressal mechanism of the direct selling entity;

(e) obtain goods and service tax registration, Permanent Account Number registration, all applicable trade registrations and licenses and comply with the requirements of applicable laws, rules and regulations for sale of a product;

(f) ensure that actual product delivered to the buyer matches with the description of the product given;

(g) take appropriate steps to ensure the protection of all sensitive personal information provided by the consumer in accordance with the applicable laws

for the time being in force and ensure adequate safeguards to prevent access to, or misuse of, data by unauthorized persons.

(2) A direct seller shall not--
(a) visit a consumer's premises without identity card and prior appointment or approval;

(b) provide any literature to a prospect, which has not been approved by the direct selling entity;

(c) require a prospect to purchase any literature or sales demonstration equipment;

(d) in pursuance of a sale, make any claim that is not consistent with claims authorized by the direct selling entity.

7. Duties of direct selling entity and direct seller .--Subject to the provisions of Chapter VI of the Act, relating to Product Liability, the following shall be the duties of direct selling entity and direct seller, as may be applicable, namely:--

(i) Every direct selling entity and every direct seller shall ensure that--

(a) the terms of the offer are clear, so as to enable the consumer to know the exact nature of offer being made and the commitment involved in placing any order;

(b) the presentations and other representations used in direct selling shall not contain any product description, claim, illustration or other element which, directly or by implication, is likely to mislead the consumer;

(c) the explanation and demonstration of the goods or services offered are accurate and complete, particularly with regard to price and, if applicable, to credit conditions, terms of payment, cooling-off periods or right to return, terms of guarantee, after-sales service and delivery;

(d) the descriptions, claims, illustrations or other elements relating to verifiable facts are capable of substantiation;

(e) any misleading, deceptive or unfair trade practices are not used;

(f) direct selling is not represented to the consumer as being a form of market research;

(g) the promotional literature, advertisement or mail contain the name and address or telephone number of the direct selling company, and include the mobile number of the direct seller;

(h) direct selling shall not state or imply that a guarantee, warranty or other expression having substantially the same meaning, offers to the consumer any rights in additional to those provided by law, when it does not;

(i) the terms of any guarantee or warranty, including the name and address of the guarantor, shall be easily available to the consumer and limitations on consumer rights or remedies, where permitted by law, shall be clear and conspicuous;

(j) the remedial action open to the consumer shall be clearly set out in the order form or other accompanying literature provided with the goods or service;

(k) the presentation of the offer does not contain or refer to any testimonial, endorsement or supportive documentation unless it is genuine, verifiable and relevant;

(l) when after-sales service is offered, details of the service are included in the guarantee or stated elsewhere in the offer and if the consumer accepts the offer, information shall be given on how the consumer can activate the service and communicate with the service agent;

(m) products, including, where applicable, samples, are suitably packaged for delivery to the consumer and for possible return, in compliance with the appropriate health and safety standards;

(n) unless otherwise stipulated in the offer, orders shall be fulfilled within the delivery date proposed to the consumer at the time of purchase and the consumer shall be informed of any undue delay as soon as it becomes apparent or comes within the knowledge of the direct selling entity or the concerned direct seller;

(o) in cases of delay under clause (n), any request for cancellation of the order by the consumer shall be granted, irrespective of whether the consumer has been informed of the delay, and the deposit, if any, shall be refunded as per the cancellation terms proposed to the consumer at the time of purchase, and if it is not possible to prevent delivery, the consumer shall be informed of the right to return the product at the direct selling company's or the direct seller's cost as per the procedure for return of the goods proposed to the consumer at the time of purchase;

(p) right of return offered by that entity shall be in writing;
(q) whether payment for the offer is on an immediate sale or installment basis, the price and terms of payment shall be clearly stated in the offer together with the nature of any additional charges such as postage, handling and taxes and, whenever possible, the amounts of such charges;

(r) in the case of sales by installment, the credit terms, including the amount of any deposit or payment on account, the number, amount and periodicity of such installments and the total price compared with the immediate selling price, if any, shall be clearly shown in the offer;

(s) any information needed by the consumer to understand the cost, interest and terms of any other form of credit is provided either in the offer or when the credit is offered;

(t) unless the duration of the offer and the price are clearly stated in the offer, prices shall be maintained for a reasonable period of time;

(u) the procedure for payment and debt collection shall be determined in writing before any contract is signed and it shall be such as to avoid undue inconvenience to the consumer, making due allowance for delays outside the consumer's control;

(v) the provisions of the Legal Metrology Act, 2009 (1 of 2010) and the rules framed thereunder shall be followed.

(ii) A direct selling entity or direct seller shall not––

(a) indulge in fraudulent activities or sales and shall take reasonable steps to ensure that participants do not indulge in false or misleading representations or any other form of fraud, coercion, harassment, or unconscionable or unlawful means;

(b) engage in, or cause or permit, any conduct that is misleading or likely to mislead with regard to any material particulars relating to its direct selling business, or to the goods or services being sold by itself or by the direct seller;

(c) indulge in mis-selling of products or services to consumers;

(d) use, or cause or permit to be used, any fraudulent, coercive, unconscionable or unlawful means, or cause harassment, for promoting its direct selling business, or for sale of its goods or services;

(e) refuse to take back spurious goods or deficient services and refund the consideration paid for goods and services provided;

(f) charge any entry fee or subscription fee.

(3) A direct selling entity and a direct seller shall comply with the requirements of all relevant laws, including payment of taxes and deductions thereunder.

(4) A direct selling entity and a direct seller shall not induce consumers to make a purchase based upon the representation that they can reduce or recover the price by referring prospective customers to the direct sellers for similar purchases.

8. Persons not to be engaged in the business of direct selling.-- No person who is convicted, or bankrupt during the last five years prior to his association with the business of direct selling, or a person of unsound mind, shall be engaged in the business of direct selling.

Explanation.--For the purpose of this rule, the term 'Bankrupt' shall have the same meaning as assigned to it in clause (3) of section 79 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

9. Application of e-commerce rules.-- The direct sellers as well as the direct selling entities using e-commerce platforms for sale shall comply with the requirements of the Consumer Protection (e-Commerce) Rules, 2020.

10. Prohibition of Pyramid Scheme and money circulation scheme.--No direct selling entity or direct seller shall--

(a) promote a Pyramid Scheme or enroll any person to such scheme or participate in such arrangement in any manner whatsoever in the garb of doing direct selling business;

(b) participate in money circulation scheme in the garb of doing direct selling business.

11. Monitoring by State Government.-- For ensuring compliance of these rules by direct selling entity and direct sellers, every State Government shall set up a mechanism to monitor or supervise the activities of direct sellers and direct selling entity.

(a) The Nodal Department to deal with the issues related to Direct Selling in the State of Andhra Pradesh will be the Department of Consumer Affairs, Food & Civil Supplies.

(b) The Nodal Officer for the submission of undertakings and oversight of compliance by direct selling entities shall jointly be the Director of Civil Supplies, Government of Andhra Pradesh and Joint Commissioner (ST), Vijayawada-II Division of Commercial Taxes Department of Andhra Pradesh.

c) The Nodal officers may designate other officers of the respective Department may appoint any other person whom they deem fit and necessary to assist them in the implementation of these guidelines.

(d) Any direct selling entity conducting direct selling activities in the State of Andhra Pradesh shall submit an undertaking and proforma to the nodal officers, in the form of the attached proforma, stating that it is in compliance with these guidelines.

e) Direct selling entities shall also provide such details of its incorporation and other business details as may be notified from time to time. Such undertaking needs to be submitted to the Department annually.

(f) Powers of entry and search into Direct Selling Entity/ Direct Seller premises if any violation of guidelines takes place:

The Enforcement officer, not below the rank of Gazetted Officer from the CT Department and Gazetted officer of Vigilance & Enforcement Dept., Gazetted Food Inspector of Institute of Preventive Medicine and Inspector of Legal Metrology may with a view to securing compliance with this order or to satisfy himself that this order has been complied with:

(i) Inspect or cause to be inspected;

(ii) Require any person to give any information in his possession about the goods/services of the Direct Selling Entity/ Direct Seller;

(iii) Stop and search forthwith, with such aid or assistance as may be necessary;

(iv)Enter and search, with such aid or assistance as may be necessary;

(v) The Enforcement Officer shall submit the enquiry report before the Joint Collector of the District concerned.

The provisions of the Code of Criminal Procedure, 1973(Central Act 2 of 1974) relating to search shall so far as may be, apply to searches under this order.

g) Registering Authority: "Registering Authority" means, the Joint Commissioner, Commercial Taxes Department having jurisdiction over the area in respect of State of Andhra Pradesh.

h) "Disciplinary Authority" means the Joint Collector of the districts having jurisdiction over the area in respect of State of Andhra Pradesh.

i) "Appellate Authority" means the Collector of the districts having jurisdiction over the area in respect of State of Andhra Pradesh.

Any person aggrieved by any order passed by the Joint Collector may within (7) days from the date of receipt by him/her, of such order appeal against such order, to the appellate authority.

j) "Revision Authority" means the Commissioner, Commercial Taxes having jurisdiction over the area in respect of State of Andhra Pradesh.

Any person aggrieved by an order may within (30) days from the date of communication to him/her of such an order, prefer a revision to the Commissioner of Commercial Taxes Department.

Pending disposal of the revision petition, the Government may direct that the order under revision shall not have effect until the same is disposed off.

12. Inconsistencies in laws.-- Where any regulation made under the Reserve Bank of India Act, 1934 (2 of 1934) is applicable to a direct selling entity governed under these rules, the provisions of such regulations shall prevail over the provisions of these rules to the extent of inconsistency.

13. Contravention of rules.-- The provisions of the Act shall apply for any contravention of these rules.

DECLARATION BY DIRECT SELLING ENTITIES/COMPANIES PROFORMA
PART – A

1	(i) Name of the Company (As Registered) (ii) CIN No: (iii) Name and address of Directors on Board(Enclose details)	
2	2 DETAILS OF REGISTRATION (WITH JURISDICTION) (a)Address of Registered Office (Enclose copy of Registration Certificate): (b) Email : (c) Telephone Nos: d)Company Website: (e)Details of other registrations (with jurisdiction), if any (Attach copy of Registration Certificate) (f) Type of Entity (Private, Public, Trust, Ltd. Etc.)	
3	HEAD OFFICE & REGIONAL OFFICE (a)Address (b)E-mail (c) Details of Key Management Personnel as per registration under the Companies Act: (d)Details of Regional Office in the state of Andhra Pradesh: (e)Nodal Officer for interacting with D/o Consumer Affairs; (Name, designation, Tel No., e-mail, Fax, mobile No.) (f) Details of Nodal Officer for coordination with the Government of Andhra Pradesh (Name, designation, Tel No., e-mail, Fax, mobile No.):	
4	Whether anyone from the Management was convicted by any court in the past within the past 5 years (from the date of application). If so, the details thereof	
5	5. Whether direct selling is of Products or services or both?	
6	6. Details of License(s), Trade Mark or Principal Brand which identifies the company	
8	i. Address / Telephone Nos. / e-mails etc. of Customer Care & Grievance Redress Cells (HQ & State Branch(es) in Andhra Pradesh); ii. Details of Consumer Grievance Redress Committee as per guidelines: a. Member Name, Phone No and email: b. Member Name, Phone No and email: c. Member Name, Phone No and email:	

PART-B (Direct Selling Business Details)

9	Details of Products / Services offered(Give link of websites)	Yes/No
10	Please confirm the following about your direct selling scheme:- (a) It has no provision that a Direct Seller will receive remuneration or incentives for the recruitment /enrolment of new participants and provide that direct sellers will receive remuneration derived only from the sale of goods or services. (b) It does not require a participant to purchase goods or services: i. for an amount that exceeds an amount for which such goods or services can be expected to be sold or resold to consumers; ii. for a quantity of goods or services that exceeds an amount that can be expected to be consumed by, or sold or resold to consumers; (c) It does not require a participant to pay any entry/registration fee, cost of sales demonstration equipment and materials or other fees relating to participation; (d) It provides a participant with a written contract describing the "material terms" of participation; (e) It allows or provides for a participant a reasonable cooling-off period to participate or cancel participation in the scheme and receive are fund of any consideration given to participate in the operations; (f) It allows or provides for a buy-back or repurchase policy for "currently marketable" goods or services sold to the participant at the request of the participant at reasonable terms; Note: 1. Give details in regard to the above in an enclosure. 2. In case any of the answers in this para is 'No', please provide full details with reasons in an enclosure.	Yes/No Yes/No Yes/No Yes/No Yes/No Yes/No
11	(a)Whether proper identity document(s) to all the Direct Sellers are issued. (b)Whether you maintain "Register of Direct Sellers" wherein relevant details of each enrolled Direct Seller is updated and maintained with details including verifiable proof of address, proof of identity and PAN as per the Income Tax Act. (c) What is the mechanism for payment of any taxes and duties pertaining to sale of goods or services, including the mechanism of ensuring compliance from direct sellers and distributors. Give details.	Yes/No Yes/No Yes/No
12	(a) The website is proper and updated regularly with all relevant details, contact information, details pertaining to management, products, product information and complaint redress mechanism for direct sellers and consumers. (b) There are arrangements for registering consumer complaints online or otherwise and grievances are resolved within 45 days of date of making such complaints. Details to be provided.	Yes/No Yes/No
13	Notes/Remarks, if any.	

Part – C
(UNDERTAKING)

* * *

I / We, ... in the capacity of ..... of the.. ..... company / firm declare that we are compliant with the following:

(a) We do not promote a Pyramid Scheme, as defined in Clause1(11) or enroll any person to such scheme or participate in such arrangement in any manner what so ever in the garb of doing Direct Selling business.

(b) We do not participate in Money Circulation Scheme, as defined in Clause1(12) in the garb of Direct Selling of Business Opportunities.

(c) We are compliant with all the remaining aspects mentioned in the guidelines issued vide GSR 889 (E), December 28, 2021 (Gazette of India) by the Department of Consumers, Ministry of Consumer Affairs, Food and Public Distribution and shall also provide such details as may be required by the Government of Andhra Pradesh from time to time.

Place: Sd/-

SEAL OF THE COMPANY

Date:

Name.....

Designation.....

Tel No.....

E-mail:.....

List of documents to be provided:

1. Certificate of Registration/Bye-laws/Memorandum of Association
2. List of Board of Directors, with contact details
3. Brief details of direct selling scheme and compensation plan.
4. Sample of contract with direct sellers/distributors.
5. Copy of the undertaking submitted to the Department of Consumer Affairs, Government of India
6. Copies of compliances, including licenses or registrations for the sale of goods or services

M.GIRIJA SHANKAR
E.O. SECRETARY TO GOVERNMENT